

In the Matter of  
MILTON R. LEVITT,  
A Former Officer and Director  
of  
FIRST BANK OF BEVERLY HILLS,  
F.S.B.,  
Beverly Hills, California.

Dated: July 18, 1995

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed MILTON R. LEVITT ("LEVITT"), a former officer and director of FIRST BANK OF BEVERLY HILLS, F.S.B., Beverly Hills, California, OTS No. 8014 (the "Association"), that the OTS is of the opinion that the grounds exist to initiate an administrative prohibition proceeding against LEVITT pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e); and

WHEREAS, without admitting or denying that such grounds exist or admitting or denying the validity of the findings and conclusions of the OTS and solely for the purpose of resolving these matters, LEVITT desires to cooperate with the OTS to avoid the time and expense of such administrative proceeding and hereby stipulates and agrees to the following:

1. Jurisdiction.

(a) The Association is a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C. § 1813(b), and Section 2(4) of the Home Owners' Loan Act, 12 U.S.C. § 1462(4). Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) LEVITT, as a former officer and director of the Association is an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u).

(c) Pursuant to Section 3(q) of the FDIA, 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such a savings association and its institution-affiliated parties. Therefore, LEVITT is subject to the authority of the OTS to initiate and maintain a prohibition proceeding against him pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). The Director of the OTS has delegated to the Regional Directors of the OTS the authority to issue an Order of Prohibition where the respondent has consented to the issuance of the order.

2. OTS Findings of Fact. The OTS, based upon information derived from the exercise of its regulatory responsibilities, concludes that while serving as an officer, director and Loan Committee Chairman of the Association, LEVITT demonstrated a willful and continuing disregard for the safety and soundness of the Association by breaching his fiduciary duties to the Association and violating regulations in voting to approve, and then voting to make modifications to, loans made by the

Association to business associates of LEVITT. LEVITT did not disclose the business relationship or abstain from the consideration of such loans. The Association lost millions on the loans related to certain of those properties. The OTS also concludes that LEVITT demonstrated willful and continuing disregard for the safety and soundness of the Association, breached his fiduciary duties and violated regulations by purchasing and reselling property for a gain of over \$200,000 from a joint venture in which the Association was a limited partner without disclosing his activities to the Association.

3. Consent. LEVITT consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"). He further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued by the OTS under the authority of Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director or designee for the West Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

5. Waivers. LEVITT waives the following:

(a) the right to be served with a written notice of the OTS's charges against him (referred to as a Notice of Intention to Prohibit) (see Section 8(e) of the FDIA);

(b) the right to an administrative hearing of the OTS's charges against him (see Section 8(e) of the FDIA);

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and

(d) any and all claims for the award of fees, costs or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law or under the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412.

6. Indemnification. LEVITT shall neither cause nor permit the Association (or any subsidiary thereof) to incur, directly or indirectly, any expense for any legal (or other professional expenses) incurred relative to the negotiation and issuance of the Order of Prohibition, nor obtain any indemnification (or other reimbursement) from the Association (or any subsidiary thereof) with respect to such amounts. Any such payments received by or on behalf of the Respondent in connection with this action shall be returned to the Association.

7. Other Actions Not Affected. LEVITT acknowledges and agrees that the consent to the entry of the Order is only for the purpose of completely resolving any and all OTS claims relating to his tenure at the Association. This Stipulation, the Order and LEVITT's compliance with the Order, do not compromise, settle, dismiss, resolve, or in any way effect:

(a) any charges or potential OTS actions arising from the Association as they might pertain to any entity or person other than LEVITT. The OTS expressly reserves its rights to initiate

and maintain administrative proceedings against any such other entity or person;

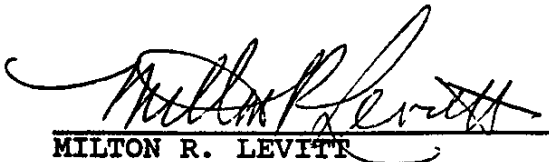
(b) any civil or criminal claims, actions, or charges against or liability of LEVITT or any other individual or entity asserted by any governmental entity other than the OTS; and

(c) any claims or action that may be brought against LEVITT by any individual or entity other than the OTS.

8. Acknowledgment of Criminal Sanctions. LEVITT acknowledges that Section 8(j) of the FDIA, 12 U.S.C. 1818(j), sets forth criminal penalties for knowing violations of this Order.

WHEREFORE, LEVITT executes this Stipulation and Consent to Entry of an Order of Prohibition, intending to be legally bound hereby.


By:

  
MILTON R. LEVITT

Date: 6-27-95

Accepted by:

Office of Thrift Supervision

  
JOHN F. ROBINSON  
Regional Director  
West Region

Date: 7/18/95

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

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In the Matter of

MILTON R. LEVITT,

A Former Officer and Director  
of

FIRST BANK OF BEVERLY HILLS,  
F.S.B.,  
Beverly Hills, California.  
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) Re: OTS Order No. SF-95-018  
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) Dated: July 18, 1995  
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ORDER OF PROHIBITION

WHEREAS, MILTON R. LEVITT ("LEVITT") has executed a  
Stipulation and Consent to Entry of an Order of Prohibition  
("Stipulation") on June 27, 1995; and

WHEREAS, LEVITT, by his execution of the Stipulation, has  
consented and agreed to the issuance of this Order of Prohibition  
("Order") by the Office of Thrift Supervision ("OTS"), pursuant to  
Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12  
U.S.C. § 1818(e); and

WHEREAS, the Director of the Office of Thrift Supervision  
("OTS") has delegated to the Regional Director of the OTS the  
authority to issue Orders on behalf of the OTS where the  
Respondent has consented to the issuance of the Order.

NOW THEREFORE, IT IS ORDERED that:

1. Due to the operation of Section 8(e)(6) of the FDIA, 12  
U.S.C. § 1818(e)(6), LEVITT shall not:

(a) participate in any manner in the conduct of the affairs  
of the institutions and agencies set forth in paragraph 2 of this  
Order;

(b) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights with respect to the institutions and agencies set forth in paragraph 3 of this Order;

(c) violate any voting agreement previously approved by the "appropriate Federal banking agency" as defined in Section 3(q) of the FDIA, 12 U.S.C. § 1813(q); or

(d) vote for a director, or serve or act as an "institution-affiliated party, as defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u).

2. Due to the operation of Section 8(e)(7) of the FDIA, 12 U.S.C. § 1818(e)(7), LEVITT shall not continue or commence to hold any office in, or participate in any manner in the conduct of the affairs of:

(a) any insured depository institution, as defined in Section 8(c) of the FDIA, 12 U.S.C. § 1813(c);

(b) any institution treated as an insured bank under Sections 8(b)(3) or (b)(4) of the FDIA, 12 U.S.C. § 1818(b)(3) or (b)(4);

(c) any institution treated as a savings association under Section 8(b)(9) of the FDIA, 12 U.S.C. § 1818(b)(9), including:

(i) any savings and loan holding company,

(ii) any subsidiary of a savings and loan holding company,

(iii) any service corporation of a savings association,  
or,

(iv) any subsidiary of a service corporation, whether wholly or partly owned;

(d) any insured credit union under the Federal Credit Union Act (12 U.S.C. § 1751 et seq.);

(e) any institution chartered under the Farm Credit Act of 1971 (12 U.S.C. § 2001 et seq.);

(f) any appropriate Federal depository institution regulatory agency;

(g) the Federal Housing Finance Board and any Federal Home Loan Bank; or

(h) the Resolution Trust Corporation.

3. To the extent that LEVITT or any entity controlled by LEVITT or his family possesses any interest in the stock of First Bank of Beverly Hills, F.S.B., Beverly Hills, California (the "Association"), such interest shall be transferred or otherwise disposed of within one hundred twenty (120) days of the date of entry of this Order. Such transfer may not ultimately be to a member of LEVITT's: (1) "immediate family," as that term is defined in 12 C.F.R. § 574.2(j); (2) "affiliates," as that term is defined in 12 C.F.R. § 574.2(d); or (3) to persons or companies "acting in concert" with LEVITT, as that term is defined at 12 C.F.R. § 574.2(c). Documentation evidencing the transfer shall be provided to the Regional Director of the West Region of the OTS within five (5) days of the transfer. Pending such transfer, LEVITT shall not exercise voting or any other rights in such stock or otherwise attempt to influence the operations of the Association.



4. The Stipulation is made a part hereof and is incorporated herein by this reference.

5. Notice is hereby provided that a violation of this Order could subject LEVITT to the penalties specified in Section 8(j) of the FDIA, 12 U.S.C. § 1818(j).

6. LEVITT shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

7. LEVITT, shall, at the OTS's request, on reasonable notice and without service of a subpoena, provide truthful answers to questions or inquiries by the OTS or its representatives and testify truthfully at any deposition and at any judicial or administrative proceeding brought by the OTS related to its investigation of the Association and any other OTS investigation related in any way to the Association, except that LEVITT does not waive his right to invoke his privilege against self-incrimination under the Fifth Amendment to the United States Constitution. No statement made pursuant to this paragraph shall be considered a compelled statement pursuant to 18 U.S.C. § 6002.

8. The OTS does not intend to, and nothing in the Order shall be interpreted to limit, in any manner, the full scope of the prohibition prescribed by Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

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9. This Order shall become effective on the date it is issued, as shown in the caption above.

THE OFFICE OF THRIFT SUPERVISION

By:



JOHN F. ROBINSON  
Regional Director  
West Region